

ASSEMBLY BILL

No. 1378

Introduced by Assembly Member Jerome Horton

February 21, 2003

An act to add Section 100.5 to the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1378, as introduced, Jerome Horton. Property taxation: revenue allocation reductions: condemnations.

The California Constitution requires the State Board of Equalization to assess specified properties owned by specified entities. Existing property tax law provides for the valuation of properties of a state assessee that owns property in more than one county. Existing law also provides, pursuant to specified formulas, for the application in each county in which that property is located of specified tax rates to the assessed value of a state assessee's property that is assigned to each of these counties, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would for the 2004-05 fiscal year and each fiscal year thereafter, require a county auditor to exclusively apply against a city any reduction in assessed value that is assigned to a county that results from the condemnation by that city of specified state-assessed property located within its jurisdiction on and after July 1, 2004.

By requiring county auditors to implement a new formula for allocating property tax revenues, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100.5 is added to the Revenue and
2 Taxation Code, to read:
3 100.5. Notwithstanding any other provision of law, for the
4 2004-05 fiscal year and each fiscal year thereafter, the auditor shall
5 exclusively apply against a city any reduction in assessed value
6 that is assigned to a county tax rate area pursuant to Section 100
7 resulting from the condemnation by that city on or after July 1,
8 2004, of state-assessed unitary property or state-assessed
9 operating nonunitary property located within its jurisdiction.
10 SEC. 2. Notwithstanding Section 17610 of the Government
11 Code, if the Commission on State Mandates determines that this
12 act contains costs mandated by the state, reimbursement to local
13 agencies and school districts for those costs shall be made pursuant
14 to Part 7 (commencing with Section 17500) of Division 4 of Title
15 2 of the Government Code. If the statewide cost of the claim for
16 reimbursement does not exceed one million dollars (\$1,000,000),
17 reimbursement shall be made from the State Mandates Claims
18 Fund.

